

July 14, 2006

Bulletin 139

Title Insurance Enforcement Fund Fee

This Bulletin is directed to all insurance companies authorized to write title insurance under IC 27-1-6, IC 27-1-17 or IC 27-7-3; all persons involved in the solicitation, sale, underwriting or issuance of title insurance policies; and any person conducting real estate closings where a title insurance policy is, or will be, issued. In 2006 the Indiana General Assembly passed IC 27-7-3.6 (as added by PL 171-2006, Sec. 5). The chapter creates the Title Insurance Enforcement Fund Fee ("TIEFF"). The TIEFF is created for the following purposes:

- (1) To provide supplemental funding for department [of insurance] operations that are related to title insurance; and
- (2) To pay the costs of hiring and employing staff in the area of enforcement of title insurance law.

The statute is effective July 1, 2006. IC 27-7-3.6-7 states:

"(a) A person that purchases a title insurance policy shall pay to the title insurer that issues the title insurance policy a fee of five dollars (\$5) as a fee for the title insurance enforcement fund at the time of payment for the title insurance policy.

(b) A title insurer shall:

- (1) retain two dollars (\$2) of the fee collected under subsection (a) as an administrative fee; and
- (2) pay to the department three dollars (\$3) of the fee collected under subsection (a) for deposit in the title insurance enforcement fund."

IC 27-7-3.6-7

For residential transactions, the five dollar (\$5) fee must be reflected on the HUD 1 or the Settlement Statement as the TIEFF.

The fee applies to all title insurance policies including, but not limited to, Owner's Policies, Loan Policies and Policies issued for second mortgages. All companies, individuals, attorneys and lending institutions that conduct real estate closings in which a title policy is issued, or is to be issued, shall facilitate the collection of fees which must be remitted to the Department of Insurance ("Department"). Failure to collect or remit the fee can result in disciplinary action arising out of but not limited to the following statutes IC 27-1-3-19, IC 27-1-17-9, IC 27-4-1, and IC 27-1-15.6.

Payments should be made payable to the Indiana Department of Insurance and mailed to the Title Division, P.O. Box 187, Indianapolis, IN 46209-0187. The payment shall be accompanied by the following information on a form substantially similar to the form attached hereto as Exhibit A.

- 1- Caption that says Title Division / TIEFF
- 2 - Policy number
- 3 - Policy effective date
- 4 - Agent name
- 5 - Agent file number

The submission shall include a worksheet that identifies all of the policies upon which the fee is based. The amount submitted to the Department shall equal total amount of the individual fees.

Payments are due under the following schedule, with the first payments due no later than September 15, 2006.

Fees accrued from July 1, 2006, through July 31, 2006, shall be paid to the Department no later than September 15, 2006;

Fees accrued after August 1, 2006, through August 31, 2006, shall be paid to the Department no later than October 16, 2006;

Fees accrued after September 1, 2006, through September 30, 2006, shall be paid to the Department no later than November 15, 2006;

Fees accrued from October 1, 2006, through October 31, 2006, shall be paid to the Department no later than December 15, 2006;

Fees accrued from November 1, 2006, through November 30, 2006, shall be paid to the Department no later than January 15, 2007; and

Fees accrued from December 1, 2006, through December 31, 2006, shall be paid to the Department no later than February 15, 2007.

Thereafter, payments will be due on a quarterly basis; April 30th, July 31st, October 31st and January 31st. The Department reserves the right to change the payment schedule; any changes will be published on the Department's website.

INDIANA DEPARTMENT OF INSURANCE


James Atterholt, Commissioner

Exhibit A

TIEFF Worksheet

Policy information	Fee due
Policy Number: Policy Effective Date: Agent name: Agent file number:	\$
Policy Number: Policy Effective Date: Agent name: Agent file number:	\$
Policy Number: Policy Effective Date: Agent name: Agent file number:	\$
Policy Number: Policy Effective Date: Agent name: Agent file number:	\$
Total amount remitted	Total of all rows (This amount must match the amount of the check accompanying the worksheet)